

The Impact of Coronavirus on Toys and Games

May 2020

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ECONOMIC OUTLOOK

Global economy will contract sharply in 2020 The COVID-19 pandemic impacts both supply and demand In our baseline view, the pandemic peaks in June 2020 Three scenarios examine the impact of a more severe outbreak Our view in short

Forecast real GDP growth in 2020 under different scenarios Fiscal stimulus a challenge with restrictions on expenditure How are governments trying to mitigate the downturn? What could alleviate the economic effects of the pandemic? What could exacerbate the economic impact of the pandemic?

INDUSTRY IMPACT

Toys and games vs other industries in 2020 Traditional toys and games: Mixed performance in 2020 Supply chain challenge: A short-term opportunity for domestic toy makers Independent toy retailers must strengthen e-commerce Post-COVID-19 recovery and positive growth through to 2024 Video games reaping the benefits of "hometainment" Further digitalisation of pastime habits in largest video game markets Gaming helps friends and family stay connected during COVID-19

GEOGRAPHIC IMPACT

The Americas: Shift in demand, currency fluctuations impact 2020 Asia Pacific: Recovery in China, weakness in Japan in 2020 Europe: Surge in video games, although demand in 2020 varies by market

CORPORATE RESPONSE

Accelerating shift from "toy makers" to "entertainment providers" Ravensburger AG: Beating at-home boredom during COVID-19 Take Two Interactive: Combining hometainment with COVID-19 support

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Key insights: COVID-19 scenarios Outlook for toys and games in 2020 and beyond

ABOUT OUR ANALYTIC CAPABILITIES

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About Euromonitor International

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